Directorate General of Hydrocarbons on behalf of Ministry of Petroleum & Natural Gas has signed Memorandum of Understanding (MoU) with two UK Institutes *viz.* Imperial College, London and University of Aberdeen, U.K. on the 7th April, 2006, for specific R&D areas in Geology and Geophysics. These MOUs provide for an umbrella framework under which Indian companies/DGH may identify areas of expertise with these Institutions, which are of interest to India.

(c) The Action Plan of the Government to step up exploration in the country includes:—

- The New Exploration Licensing Policy under which 55 blocks are on offer for exploration and production activities under the sixth round, the bids for which will open on the 15th September, 2006.
- The Coal Bed Methane Policy under which 54 bids have been received for undertaking exploration and production activities in 10 blocks under the third round.
- Besides their, ONGC and OIL are already undertaking exploration activities in these nomination acreages.
- Continous review of exploration policy to encourage private/ MNCs and public companies for increase participation in E&P sector.
- Upgrading the geo-scientific knowledge/date base of sedimentary areas through extensive surveys especially in unexplored/poorly explored areas.
- Carving out of more & more blocks for offer under future NELP and CBM rounds.

Imposition of taxes on ethanol products

821. SHRI SANJAY RAUT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that some State Governments have started to impose various taxes on ethanol products and in this regard some oil companies have made protest against these taxes; and

(b) if so, the details thereof and what is Government's reaction in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) State levies on ethanol in the States/U.T.s notified for covering under the ethanol-blended petrol programme under the Government notification of 27.10.04 are enclosed as Statement. (*See* below)

The State Excise Department of Haryana *vide* their communication dated 10.01.06 has advised that the Oil Companies importing denatured ethanol are liable to pay import fee of Rs. 2000/kilo litre (KL) in addition to permit fee of Rs. 3000/KL. Further, the Department raised demand on account of permit fee for the supplies of ethanol from UP during 2003-04 & 2004-05. Oil Marketing Companies had filed writ petition in the Punjab & Haryana High Court against the demand of permit fee raised by the State Excise Department of Haryana for the supplies of ethanol during 2003-04 & 2004-05. The Court has allowed the writ petition and quashed the demand.

MoP&NG has recently, *inter-alia*, impressed upon the concerned States not to levy any imposts-excise, entry tax, export or import fee or any other kind of levy which does not fall within the jurisdiction of the State Governments on ethanol meant for blending with petrol.

Statement

States/UTs	Levies	Applicable Rate
Punjab	Sales Tax	20% + 2% Surcharge on Sales Tax
	Import Fee	Rs. 1000/- per kl
	Licence Fee	Rs. 50000/- one time security deposit for the State Rs. 1000/- per annum for first location and Rs. 100/- per annum for subsequent location.
Haryana and Chandigarh	Sales Tax	20%
	Import Fee	Rs. 2000/- per kl
	Permit Fee	Rs. 3000/- per kl
	Licence Fee	Rs. 1 lac one time security deposit per location.

States/UTs	Levies	Applicable Rate
Uttar Pradesh	Purchase Tax	Rs. 800/- per kl
	Export Fee	Rs. 1000/- per kl
	Import Fee	Rs. 1500/- per kl
	Licence Fee	Rs. 150/- per kl
	Denaturation Fee	Rs. 150/- per kl
Uttaranchal	Licence Fee	Rs. 150/- per kl
	Import Fee	Rs. 1100/- per kl
Gujarat, Daman	Sales Tax	4%
Diu & Dadra and Nagar Haveli	Import Pass	Rs. 50/- per tanklorry
	Import Fee	Rs. 3000/- per kl
	Licence Fee	Rs. 25000/- per annum per location for 100 kl ethanol per month, Rs. 1.5 lac per annum per location for 500 kl ethanol per month; Rs. 3 lac per annum per location for above 500 kl ethanol per month.
Maharashtra	Sales Tax	4%
	Export Fee	Rs. 1500/- per kl
	Import Fee	Rs. 1500/- per kl
	State Excise Admin. Fee	Rs. 300/- per kl
	Licence Fee	Rs. 25000/- per annum per location.
Goa	Sales Tax	19%
	Licence Fee	Rs. 12000/- one time Processing Feeper location. Renewal Fee @- Rs. 4000/- per annum per location.
	Import Permit	Rs. 190/- per tanklorry
Karnataka	Privilege Fee	Rs. 2000/- per kl
Andhra Pradesh	Sales Tax (VAT)	12.5%
Tamil Nadu	Sales Tax	8%+5% Surcharge on Sales Tax
	Import Fee	Rs. 1000/- per kl

States/UTs	Levies	Applicable Rate
	Export Fee	Rs. 3000/- per kl
	State Excise	Rs. 1000/- per kl
	Admin. Fee	
	Licence Fee	Rs. 25000/- per annum per location.

Permission to Reliance for rate of gas

822. SHRI SANJAY RAUT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Reliance Industries are seeking the permission to sell 28 million cubic meters of gas from its Krishna-Godavari field to Reliance Natural Resources Limited at a delivered price of $3.18 mBtu as against current international market rates of $9-10 mBtu; and

(b) if so, what is Government's response thereto and what formula is considering to be adopted by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The Government has not agreed to the proposal of Reliance Industries Ltd., (RIL) to approve the gas price formula for sale of natural gas from the KGDWN-98/3 block to RNRL (Reliance Natural Resources Ltd.), as the same was not in accordance with the provisions of Production Sharing Contract (PSC) signed between the Government and the consortium of RIL — Niko Resources Ltd., Under the PSC, gas for the purpose of the contract should be valued on the basis of competitive arms — length — sales in the region for similar sales under similar conditions.

Extension of natural gas supplies

823. SHRI KARNENDU BHATTACHARJEE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have any plan to extend natural gas supplies to different towns, State capitals and Union Territories through pipeline networks; and

(b) if so, the details thereof and the role assigned or contemplated